



# Canada's Dairy Industry at a Glance



## Overview...

- Canadian milk and dairy products are world-renowned for their excellence. Enforcement of strict quality standards on dairy farms and in processing plants adds to this international reputation.
- The Canadian dairy sector functions under a supply management system, based on planned domestic production, administered pricing and dairy product import controls.
- In 2008, dairy production in Canada generated total net farm receipts of \$5.3 billion and accounted for dairy products sales valued at \$13.1 billion, representing 15% of the Canadian food and beverage sector. The dairy industry ranks third in the Canadian agricultural sector following grains, and red meats.
- About 81% of Canadian dairy farms are located in Ontario and Quebec, 13.5% in the western provinces and 5.5% in the Atlantic Provinces. Furthermore, there are 459 dairy processing plants (including 275 federally-inspected) contributing to more than 22,730 jobs across Canada.
- Approximately 75% of the milk processed in Canada is concentrated between three large companies / cooperative. Small specialized cheese makers are also present producing a wide range of high quality specialty cheeses.
- As of January 1<sup>st</sup> 2009, the Canadian dairy cattle population totalled 1.4 million head, 978,400 of which were dairy cows. The typical Canadian dairy farm counts 70 cows.

## ...Genetics

- The Canadian dairy industry is famous for the superior genetic quality of its cattle herd. Canada's largest markets for dairy genetic material are countries in North America, the European Union and other European countries, and the Asia/Pacific region.
- The Holstein breed is the most common dairy breed (93% of the dairy herd); Ayrshire, Canadienne, Guernsey, Jersey, Milking Shorthorn and Brown Swiss breeds are also found on Canadian farms.
- In 2008, Canadian cows enrolled on official milk recording programs produce on average 9,642 kg of milk per lactation (305 days) with an average content of 3.78% fat and 3.23% of protein.
- Canada is at the forefront of new and innovative research into dairy genetics. Through genotyping, geneticists are able to determine an animal's DNA profile and are currently estimating genomic evaluations for over 60 different traits. Starting in August 2009, the Canadian Dairy Network (CDN) is publishing genomic evaluations which will combine an animal's Direct Genomic Value (DGV) with its traditional genetic evaluation.
- Canadian dairy genetic exports reached \$177.8 million in 2008, representing an increase of 73% over the previous year. This increase is largely due to the reopening of Canadian markets for cattle. In 2008, there were shipments of dairy breeding cattle to Mexico, Russia, Serbia, Croatia, Cuba, United States and many more.

## ...Processing of dairy products

- The dairy processing sector is relatively concentrated. Today, 14% of Canadian plants are owned by the three largest processors in the country (Saputo, Agropur, and Parmalat), processing approximately 75% of the milk produced in Canada.
- The fluid milk market (table milk and fresh cream) represents 38.9% of milk production or 29.5 million hectolitres, while the market for manufactured dairy products such as butter, cheese, yogurt and ice cream accounts for 61.1% of production or 46.2 million hectolitres of milk.
- Faced with increased competition and rapid advances in technology, the dairy industry has had to adapt to remain competitive and find new opportunities. Canadian dairy innovation is built on the industry's expertise in research and development. Canada's scientists are leaders in developing and transferring new dairy technologies. An example of Canadian dairy innovation is the development of a robust line of functional dairy products. Already several products have been developed, such as probiotic yogurts, ultra filtered milk, and dairy products containing Omega-3 fatty acids. Canadians searching for healthy and nutritional products will continue to have access to an ever expanding range of quality Canadian dairy products that will meet their health conscious needs.
- Production of organic milk is steadily increasing in Canada. It reached 62.2 million litres in 2007/08, which represents less than 1% of total dairy output. Production of goat and ewe milk is also developing.
- Canada's dairy products are as diverse as its land and people. From aged cheddar cheese to specialty cheeses, ice cream and dairy drinks, the selection is vast and varied. For example, in Canada, there are 665 varieties of cheese (goat, ewe, and cow). Many of these cheeses are recognized the world over for their quality and taste. Out of these 665 distinct varieties of Canadian cheese:
  - 477 varieties are produced in Quebec (71.7%)
  - 125 varieties are produced in Ontario (18.8%)
  - 63 varieties are produced in other Canadian provinces (9.5%)

## ...Dairy Trade

- In 2008, Canadian dairy exports were valued at \$255 million, while imports amounted to \$678 million of dairy products. The main products exported by Canada in 2008 were cheese (mainly cheddar type) and ice cream which represented a total of 27% and 19% of the exports share, respectively. Top dairy imports included various kinds of cheeses (39%) followed by casein products (19%). Canada's largest trading partners are the United States and the European Union (EU27).
- Canada imports an assorted array of specialty cheeses from around the world most importantly from Italy and France.

## ...Quality and safety

- Strict quality standards applied throughout Canada's production and processing chain contribute to the excellent reputation of Canadian dairy products. A significant number of dairy plants are HACCP and/or ISO certified.
- The on-farm food safety program "Canadian Quality Milk" is a HACCP-based program developed by Dairy Farmers of Canada and certified by the Canadian Food Inspection Agency (CFIA).
- CFIA is responsible for setting standards for dairy products, for inspecting plants, and for regulating packaging and labelling. CFIA also enforces veterinary health programs and ensures the safety of dairy products.

- Thanks to the strict standards in place, several serious cattle diseases have been eradicated from Canadian dairy herds. The CFIA's National Health of Animals Program ensures the maintenance of national eradication programs and also ensures the mandatory control and monitoring in accordance with international agreements, particularly OIE agreements, protecting Canadian livestock from serious diseases that could restrict trade or pose a risk to human health.
- The National Livestock Identification for Dairy (NLID) system coordinates the identification of all dairy animals in Canada. This means all newborn animals, male and female, are tagged with the same system. For each set of tags, the animal's unique national identification number can be read three ways; RFID (Radio Frequency ID), bar code, and visual.

### ...Associations and organizations related to the dairy sector

- Government and various partners in industry work in close cooperation to coordinate the movement of milk from the farm to the consumer.
- The Dairy Farmers of Canada (DFC), the Dairy Processors Association of Canada (DPAC), the Canadian Dairy Commission (CDC), provincial marketing boards and Agriculture and Agri-Food Canada (AAFC) work as partners to ensure a strong and dynamic Canadian dairy industry.
- The CDC supports the industry by implementing national policies for dairy production, by assessing changes in demand for milk and dairy products and production of milk, and by coordinating the pooling of milk revenue and the market-sharing systems.
- Research and development of new dairy products are the result of strategic alliances among producers, processors, universities, and federal and provincial research centres.
- As a world leader in food safety, Canada strives to be an international leader in innovation and environmental protection. High standards in these fields contribute to the quality of Canadian milk and dairy products, and meet the demands of consumers in Canada and abroad.

**...Want more information? Visit the Canadian Dairy Information Centre (CDIC) at <http://www.dairyinfo.gc.ca> or contact:**

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